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ETRO Switzerland Newsletter

Microlino: "This is not a car!", but it is Swiss, smart and beautiful

Japan External Trade Organization

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In March, we like to talk about cars. This year we are excited to continue the tradition by highlighting a Swiss manufacturer. Many Swiss companies are suppliers of the automotive industry, but very few are producing "cars". Mr Merlin Ouboter, Cofounder of Microlino kindly answered our questions.

Could you introduce your company?

Microlino is part of the Micro family. It is a family business founded by my father in 1996. My father had the idea of a light, foldable scooter because a popular restaurant in Zurich he really liked going to was just too far for him to walk to from home but not far enough to make him take the bike out from the basement. He was therefore looking to solve the last mile problem. Micro scooters can be folded when arriving at the restaurant, the office, or the train station.

Micro scooters became a big hit in many countries to the point that the UK included the kid version into the consumer basket to measure inflation.

Today, we are a sustainable mobility company. We have classic scooters for adults and children. e-scooters, and now the Microlino.



Micro is a family business founded by Wim Outboter (center). Microlino was created by his two sons Oliver (left) and Merlin (on the new Microletta).

On your website you say Microlino is not a car. what is it then?

It is a light quadricycle according to European and Swiss regulations. It is homologated in the L category like motorbikes while cars are homologated in the M category (requirements in terms of power, weight, and other aspects are different).

Now, most people will not see the difference. For them, Microlino is a small car. It has four wheels, comfortably transports two people at a speed of up to 90km/h and has a range of up to 230km.

In Switzerland and Germany, you can even drive it on highways.

Can you tell us how you had

the idea of Microlino?

Microlino started both as a student project and a PR joke It was a way to show the seriousness of the company that was able to develop an electric car (quadricycle, to be precise).

Besides this, the essence of Microlino is sustainability. There is an obvious discrepancy between the cars we drive and our needs. Most people will use a vehicle weighing one or two tons to commute within a few kilometers only. Most cars are oversized for our needs.

Electric cars have the same flaws. The heavier the car, the larger the battery. In the end, a significant part of the energy used could be saved with a lighter vehicle.

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Microlino weighs less than half a ton. It requires 60% less energy than a regular EV (Electric Vehicle) and emits 50% less CO2 thanks to a smaller battery (producing a battery generates CO2 emissions).

We presented our first prototype at the Geneva Motor Show in 2016. We stated on social media that "if we have 500 interested people, we will produce it". It took only a couple of days to reach this goal. This was thrilling. We really had to do it.

Who is your typical customer?

Early adopters are usually opinion leaders. They will test new products and often set new trends. It requires trust, as we are new on the market. Then we see people looking for a second car. They may already have a main car and are looking for a smaller, more convenient electric vehicle. Often, our customers live in suburban areas. They don't have the same need for cars as people living in the countryside but are not connected with public transport as well as people living in city centres are.

Do they need a charging station at home?

This is indeed a concern is Switzerland. Most people don't own their place and cannot take the decision to install a charging station. Plus, many people do not have a parking place. Microlino can conveniently be charged using a regular socket in four hours or at a charging station. Personally, I cannot charge my Microlino at home. I do it at my workplace or when I am shopping. The infrastructure is growing.

Vehicles like Microlino are much more compatible with a sustainable society. Why do we see so few of them?

It is a complex question. One aspect is that compact cars are challenging for the industry. Car manufacturers must comply with CO2 regulations. EVs are one solution, but a small EV requires the same components as a large one. Sometimes it's even more challenging to make everything fit in a small frame. For most customers, the size and price should be proportional, but this is not the case. They may be reluctant to buy a small car which is sold at a similar price to a larger one. So, either the manufacturers make no money (or little), or people don't buy them. As a result, manufacturers are focusing on larger cars that can yield better profit margins.

What are the main challenges you faced with Microlino?

First, the automotive industry has one of the highest entry barriers. For vehicles in our category the regulations are slightly lighter than for cars, but they are still very demanding.

Second, it takes a lot of time to develop a completely new electric vehicle and find the right partners



A beautiful design

and suppliers. On top of that we had to build up our own production. For that we rented an empty factory hall of a partner of ours and installed our assembly line in there. Like this we have control over our products, but we also benefit from their solid industrial expertise.

The last challenge to mention is related to incentive programs. In some markets like the German one, regulators have an incentive program for EVs. But this program only applies to cars (M category), not quadricycles. As a result, heavier and larger cars are sometimes sold at a similar price to Microlino.

In how many markets are you present?

We are present in Switzerland, Belgium, and Germany starting from this month and we are expanding to France, Italy, Spain, the Netherlands, Denmark and Greece this year. In Switzerland, we have partnered with AMAG, the VW importer of Switzerland and benefit from its large network.

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In Germany, too, we have partnered with a market leader, which is great. It works because we fill a need they do not fill.

Have you any plan regarding Asia and Japan in particular?

Japan has been in our mind since the beginning. Indeed, the very popular kei cars (keijidōsha - "light and compact automobile") sold there are relatively close to what we do. In a way, we share many values with those customers that have made a rational choice by buying a smaller car that better suits their

actual needs. When we started developing Microlino it was 1.54 meters wide. Kei car regulations set the upper limit at 1.5. Hence, we decided to slightly reduce the size so that the body would already fit the regulation. Currently, our priority is to expand in Europe. But for sure, Japan is on our mind.



Credit Suisse takeover, from a Japanese perspective

The Credit Suisse takeover by UBS has been commented on worldwide, including in Japan. Japanese media has detailed the agreement between the two banks and the Swiss authorities

This was presented as the first public rescue of a systemic bank since the financial crisis of 2008. It is also evidence of how systemic banks can threaten their own national economy and how the current regulations applicable to major banks have failed to prevent it.

Another aspect covered in the press is the prejudice for shareholders and holders of Credit Suisse's Additional Tier 1 bonds. About CHF 16 bn of AT1 bonds have been written off with no compensation whatsoever. Shareholders will receive compensation in the form of UBS shares but less than the market price.

This will also change the landscape in Asia. UBS was mostly active in wealth management in China while CS had a stronger presence in the rest of the continent. The new UBS will become a major player in Asia but may open some possibilities for competitors in Wall Street, where Credit Suisse was active with investment banking. This division will be downsized significantly.

Generally speaking, experts are careful about saying who could benefit from it. Many CS employees will be looking for new jobs. Some customers for a new bank. And UBS may be willing to sell some pieces.

A representative of a Japanese leading bank said they are aware of that, but the priority remains to focus on organic growth. The current financial situation remains uncertain. In 2008 some banks took over part of the employees and activities of Lehman Brothers after it bankrupted. It was a long and resource-consuming process.



The historical building of Credit Suisse on the Paradeplatz in Zurich

動向

TREND

When women thrive, humanity thrives: Women's Pavilion at Expo Osaka



On March 8, International Women's Day, Richemont Japan Limited, in collaboration with the Japanese government and the Japan Association for the 2025 World Exposition, unveiled the name and details about the "Women's Pavilion in collaboration with Cartier".

The Japanese government is promoting women's rights and equality in all aspects of life.

Equality will hopefully be an important topic at Expo Osaka, but it was however necessary to have one place fully dedicated to this topic.

The choice of Cartier as partner was obvious. As the company explains, since its foundation, Cartier has always stayed close to women who live their lives in their own way. Plus, Cartier already has useful experience, as the company held

a Women's Pavilion at Expo 2020 Dubai.

The Women's Pavilion aims to design a better world, where all people are in equality, respect each other, and can fulfil their potential for future society in our lives. The pavilion will be constructed by reusing the facade materials used for the Japan Pavilion at Expo 2020 Dubai, therefore contributing to a more sustainable future too.

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Source: Expo2025; METI Cartier



Women's Pavilion in collaboration with Cartier © Cartier Architectural design: Es Devlin and NAGAYAMA Yuko

Agenda

AGENDA

Tax event for Japanese Corporate Clients PwC, JETRO Geneva and S-GE joint event Detailed program and registration available following this link May 31, 2023 - 3.15pm - 5pm

PwC Bern, Bahnhofplatz 10, 3001 Bern

JETRO is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential.

The JETRO Switzerland Newsletter can also be viewed and/or downloaded online: http://www.jetro.go.jp/switzerland/newsletter



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